

## Message Text

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ACTION EA-06

INFO OCT-01 ISO-00 ONY-00 SS-14 /021 W  
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FM AMEMBASSY SINGAPORE  
TO SECSTATE WASHDC 8569

C O N F I D E N T I A L SECTION 1 OF 2 SINGAPORE 4070

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E.O. 11652: GDS  
TAGS: OVIP, SN  
SUBJ: PRIME MINISTER LEE'S WASHINGTON VISIT: TOPICS FOR DISCUSSION

REF: (A) STATE 221153, (B) SINGAPORE 3982

1. SUMMARY. WE EXPECT PRIME MINISTER LEE IN HIS FORTHCOMING WASHINGTON TALKS TO GIVE FIRST PRIORITY TO ASCERTAINING U.S. POLITICAL/SECURITY INTENTIONS TOWARD EAST AND SOUTHEAST ASIA AND TO DISSUADING US FROM ANY FURTHER DIMINUTION OF OUR PRESENCE. HE WILL PROBABLY ALSO WANT TO DISCUSS WAYS OF STIMULATING U.S. INVESTMENT IN SINGAPORE, AND OF ENGAGING JAPAN MORE DEEPLY IN ASEAN ECONOMIC DEVELOPMENT, PARTICULARLY IN CERTAIN ECONOMICALLY-DEPRESSED AREAS. IF NO USG DECISION ON SINGAPORE'S REQUEST TO BUY I-HAWK MISSILES HAS BEEN TAKEN BY THEN (OR IF THE DECISION IS NEGATIVE), LEE MAY WELL RAISE THE QUESTION WITH THE PRESIDENT. SUGGESTED TOPICS FOR OUR SIDE INCLUDE ASKING FOR LEE'S ASSESSMENT OF ASEAN'S PROGRESS AND FUTURE DIRECTION, THE INDOCHINA BOAT CASE REFUGEES, AND HUMAN RIGHTS. END SUMMARY.

2. PRIME MINISTER LEE WILL BE ATTACHING SPECIAL IMPORTANCE TO HIS WASHINGTON VISIT NEXT MONTH. IT WILL  
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BE HIS FIRST OPPORTUNITY TO MEET FACE-TO-FACE WITH THE SENIOR FIGURES OF THE CARTER ADMINISTRATION TO ASCERTAIN THEIR VIEWS, UNDERSTAND THEIR STYLE AND -- EQUALLY IMPORTANT -- CONVEY TO THEM HIS ASSESSMENT OF CURRENT DEVELOPMENTS.

3. AS THE DEPARTMENT IS AWARE, PRIME MINISTER LEE'S INTERESTS RANGE WELL BEYOND SINGAPORE'S OWN IMMEDIATE

CONCERNS, AND HE HAS BEEN ACCUSTOMED TO DISCUSSING WITH TOP WORLD LEADERS HIS AND THEIR GLOBAL INTERESTS AND ASSESSMENTS. DURING HIS WASHINGTON VISIT HE WILL BE LOOK-  
ING FORWARD TO Z EXCHANGE ON THE MAIN AREAS OF CURRENT U.S. AND INTERNATIONAL CONCERN. WE EXPECT HE WILL EXPRESS HIS APPRECIATION OF U.S. EFFORTS TOWARD PEACEFUL SETTLEMENTS IN THE MIDDLE EAST AND RHODESIA. (WITH REGARD TO THE LATTER, OUR CURRENT INITIATIVES APPEAR TO BE IN LINE WITH SOME THOUGHTS ON A POSSIBLE SOLUTION THAT HE EXPRESSED PRIVATELY A YEAR OR SO AGO.) WE BELIEVE, HOWEVER, THAT HIS PRIMARY FOCUS IS LIKELY TO BE ON THE TOPICS OUTLINED BELOW.

#### 4. POLITICAL/SECURITY

A. FOREMOST IN LEE'S MIND, JUDGING FROM THE CONCERNS HE HAS EXPRESSED AS WELL AS PROBES FROM OTHER GOS OFFICIALS, WILL BE THE DEPTH OF U.S. POLITICAL AND SECURITY INTERESTS IN SOUTHEAST ASIA AND THE EXTENT TO WHICH WE ARE PREPARED TO DEFEND THEM. THE LOSS OF VIETNAM AND THE PLANNED WITHDRAWAL OF U.S. GROUND FORCES FROM KOREA HAVE CREATED ANXIETY HERE AS WELL AS ELSEWHERE IN THE REGION AS TO WHETHER THE U.S. CAN BE COUNTED ON FOR MORE THAN MORAL SUPPORT IN THE EVENT THE NON-COMMUNIST SOUTHEAST ASIAN COUNTRIES EXPERIENCE SERIOUS FUTURE PROBLEMS WITH THE INDO-CHINESE OR WITH HEIGHTENED SOVIET OR  
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CHINESE PRESSURES. WORRIES THAT THE U.S. WILL TURN AWAY FROM SOUTHEAST ASIA HAVE BEEN EASED SOMEWHAT BY RECENT U.S. POLICY STATEMENTS, ESPECIALLY THE SECRETARY'S ASIA SOCIETY SPEECH AND UNDER SECRETARY COOPER'S REMARKS AT THE U.S.-ASEAN MANILA CONSULTATIONS, BUT ARE FAR FROM BEING LAID TO REST. THE IMPONDERABLES OF THE U.S.-PRC-TAIWAN RELATIONSHIP AND THE DESULTORY PACE OF NEGOTIATIONS FOR BASE RIGHTS IN THE PHILIPPINES MAY REINFORCE GOS CONCERNS.

B. LEE CAN THUS BE EXPECTED TO PROBE DEEPLY OUR INTENTIONS TOWARD SOUTHEAST ASIA. HE WILL ALSO WISH TO HAVE OUR ASSESSMENT OF SOVIET INTENTIONS TOWARD THE AREA. RELATED TO THIS, WE EXPECT HE WILL ALSO WANT TO KNOW ABOUT OUR INDIAN OCEAN POLICY, OUR NEGOTIATIONS WITH THE SOVIETS, AND OUR PLANS FOR DIEGO GARCIA. HE WILL HIMSELF PROBABLY REITERATE HIS GENERALLY PESSIMISTIC VIEW OF SOVIET INTENTIONS TOWARD THE REGION; HE SEES THE SOVIET UNION AS AN IMPLACABLE FORCE, PROGRESSIVELY BUILDING UP ITS STRENGTH AND ITS PRESENCE OVER THE YEARS. WITH REGARD TO THE INDIAN OCEAN, LEE HAS BEEN ESPECIALLY CONSCIOUS OF THE VULNERABILITY OF JAPAN'S OIL LIFELINE THROUGH THE INDIAN OCEAN FROM THE PERSIAN GULF, AND MAY COMMENT

ON THIS ASPECT.

C. HE WILL PROBABLY BE EQUALLY INTERESTED IN AN EXCHANGE OF VIEWS ON U.S.-PRC RELATIONS, PARTICULARLY AS THEY RELATE TO SOUTHEAST ASIA, AND OUR ASSESSMENT OF CURRENT DEVELOPMENTS IN CHINA. LEE ENVISAGES CHINA AS BECOMING A SIGNIFICANT FORCE IN THE REGION WITHIN FIFTEEN YEARS OR SO, PROVIDING PEKING CAN GET ITS OWN HOUSE IN ORDER.

D. HE WILL WISH TO EXCHANGE VIEWS ON HANOI'S INTENTIONS AND TO GET OUR ASSESSMENT OF THE SRV'S CURRENT STRENGTHS AND WEAKNESSES. (IN THIS CONNECTION WE HAVE RECENTLY HEARD OCCASIONAL SUGGESTIONS FROM GOS OFFICIALS THAT A LIKELY FUTURE DANGER AREA IS THE RIVALRY BETWEEN THE SRV AND INDONESIA FOR PREDOMINANCE IN SOUTHEAST ASIA.) LEE  
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MAY AGAIN ASK ABOUT THE CHANCES FOR U.S. ASSISTANCE TO VIETNAM. FOR THIS PART, LEE IS WILLING TO HAVE SINGAPORE TRADE WITH VIETNAM BUT IS HIGHLY SUSPICIOUS OF HANOI'S INTENTIONS AND WILL BE HOLDING BACK ON POLITICAL RELATIONS UNTIL THEY ARE CLARIFIED, I.E. UNTIL HANOI RECONCILES TO LEE'S SATISFACTION ITS ALLEGED PEACEFUL INTENTIONS WITH SUPPORT FOR "GENUINE INDEPENDENCE" IN SEA.

E. LEE WILL CERTAINLY BE INTERESTED IN OUR ASSESSMENT OF A POSSIBLY EXPANDED ROLE FOR JAPAN IN SOUTHEAST ASIA, ABOUT WHICH HE SEEMS TO HAVE SOMEWHAT MIXED FEELINGS. HE WOULD LIKE TO SEE A GREATER INFLOW OF JAPANESE INVESTMENT INTO THE ASEAN COUNTRIES AND HOPES THAT OUR EFFORTS TO PRY OPEN JAPANESE MARKETS SUCCEED. HE WOULD, HOWEVER, FIND MOST UNSETTLING ANY RAPID IMPROVEMENT IN JAPANESE-INDO-CHINESE RELATIONS. IN LONGER PERSPECTIVE HE WOULD HOPE TO ENCOURAGE JAPAN TO APPLY POLITICAL AS WELL AS ECONOMIC CONSIDERATIONS IN CHANNELING INVESTMENT INTO THE REGION -- HELPING THROUGH ITS INVESTMENTS TO ALLEVIATE THESE "POCKETS OF POVERTY" IN THAILAND AND INDONESIA WHICH THREATEN POLITICAL STABILITY. LOOKING TO THE FUTURE, HE MAY ALSO SEE JAPAN AS THE PRIMARY BIG-POWER SUPPORTER AND SPONSOR OF ASEAN IN THE ECONOMIC AND POLITICAL (BUT NOT MILITARY) FIELD SHOULD THE U.S. WITHDRAWN FURTHER FROM SOUTHEAST ASIA.

F. IN HIS MEETING WITH THE PRESIDENT, LEE WILL PRESUMABLY COMMENT ON THE PRESIDENT'S SCHEDULED OCTOBER 4 SPEECH TO THE UNGA.

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C O N F I D E N T I A L SECTION 2 OF 2 SINGAPORE 4070

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5. ECONOMIC. DEPENDENT AS IT IS ON TRADE AND FOREIGN INVESTMENT, SINGAPORE IS ESPECIALLY CONCERNED ABOUT ECONOMIC TRENDS IN ITS TRADING PARTNERS. THE LEVEL OF U.S. INVESTMENT HERE HAS NOT MARKEDLY INCREASED AND IS WELL BELOW THAT OF A FEW YEARS AGO.

A. LEE WILL PROBABLY WANT TO TALK IN GENERAL TERMS ABOUT WHAT CAN BE DONE TO ENCOURAGE FURTHER INVESTMENT. HE IS INTERESTED AS WELL IN THE TRANSFER OF TECHNOLOGY FROM THE U.S. AND THE OTHER DEVELOPED COUNTRIES, AND MAY MENTION IT. HE MAY ALSO RAISE THE SPECIFIC QUESTIONS OF TAX DEFERRAL AND OPIC ELIGIBILITY, RECALLING THAT UNDER SECRETARY COOPER TOLD THE ASEAN DELEGATES IN MANILA THAT THE TAX DEFERRAL ISSUE IS PART OF THE OVERALL TREASURY TAX PROPOSAL TO BE SUBMITTED SHORTLY TO THE WHITE HOUSE AND THAT ASEAN VIEWS WOULD BE CONSIDERED IN SHAPING IT FOR SUBMISSION TO THE CONGRESS.

B. LEE IS LIKELY TO MENTION SINGAPORE'S CONCERN OVER THE TENDENCY TOWARD PROTECTIONISM AMONG DEVELOPED COUNTRIES. HE WANTS THE U.S. TO KEEP OPEN AND INDEED EXPAND ITS MARKETS FOR ASEAN PRODUCTS AND WOULD LIKE TO HAVE US INDUCE OTHERS TO DO THE SAME.

C. SINGAPORE IS NOT KEENLY INTERESTED IN  
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MOST OF THE CURRENT NORTH/SOUTH ECONOMIC ISSUES, AND LEE IS UNLIKELY TO RAISE THEM.

6. MILITARY MATTERS

A. IF HE IS INFORMED BEFORE HIS VISIT OF A NEGATIVE

DECISION ON THE SALE OF I-HAWK MISSILES TO SINGAPORE, LEE MIGHT APPEAL TO THE PRESIDENT FOR REVERSAL OF THE DECISION. HE MIGHT ALSO RAISE THE QUESTION, PERHAPS AT A DIFFERENT LEVEL, IF NO DECISION ON THE MISSILES HAS BEEN CONVEYED TO HIM BY THEN. (WE ARE AWARE OF THE DEPARTMENT'S EFFORTS TO REACH A DECISION ON THE I-HAWK BEFORE THE VISIT, AND HOPE IT WILL BE POSSIBLE TO PASS THE WORD TO THE PRIME MINISTER BEFORE HIS VISIT.)

B. LEE MIGHT ASK ABOUT THE AVAILABILITY OF ADDITIONAL C-130S, BUT PROBABLY NOT DURING HIS CALL ON THE PRESIDENT.

7. ISSUES WE MIGHT RAISE

A. WE MAY WANT TO FOLLOW THROUGH ON OUR REQUESTS THAT SINGAPORE ADOPT A MORE FLEXIBLE AND HELPFUL POLICY TOWARD STAGING BOAT CASE REFUGEES. A WORD FROM THE PRESIDENT COULD VERY WELL TIP THE BALANCE, IF CONDITIONED BY OUR UNDERSTANDING THAT SINGAPORE ITSELF CANNOT BE EXPECTED TO ABSORB ANY OF THE REFUGEES PERMANENTLY.

B. WE MAY WANT TO RAISE THE SUBJECT OF HUMAN RIGHTS ALONG THE LINES PROPOSED IN THE DRAFT HUMAN RIGHTS EVALUATION REPORT (SINGAPORE 3323). IF IT IS RAISED, MENTION SHOULD BE MADE OF SINGAPORE'S EFFORTS AND REMARKABLE SUCCESS IN MEETING BASIC HUMAN NEEDS.

C. WE MIGHT ALSO ASK FOR LEE'S ASSESSMENT OF THE DIRECTION ASEAN IS TAKING AND WHETHER IT IS LIKELY TO BE THE RIGHT ONE FOR SINGAPORE'S POINT OF VIEW. WE COULD CONGRATULATE LEE ON HIS VISION AND INITIATIVE

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IN GETTING ASEAN MOVING AND IN FOCUSING IT ON ECONOMIC COOPERATION AND INTEGRATION, ASKING HIM WHETHER -- AND AT WHAT PACE -- WE CAN EXPECT ASEAN TO MOVE TOWARD A FULL CUSTOMS UNION, AS REQUIRED BY GATT. WE MIGHT ALSO NOTE OUR UNDERSTANDING OF THE OBSTACLES TO RAPID INTEGRATION, INCLUDING THE REAL CONSTRAINTS IMPOSED BY THE GAP BETWEEN INDONESIA'S LEVEL OF ECONOMIC DEVELOPMENT AND THAT OF THE OTHERS.

D. IF A DECISION IS MADE TO REVIVE THE ISSUE AND SEEK GOS APPROVAL FOR STAGING P-3 FLIGHTS THROUGH SINGAPORE, WE MAY WANT TO RAISE THE SUBJECT WITH LEE IN WASHINGTON. IF A NEGATIVE DECISION ON THE SALE OF THE I-HAWK MISSILE HAS BEEN REACHED, HOWEVER, WE WOULD RECOMMEND STRONGLY THAT THE SUBJECT NOT BE RAISED.

E. WHETHER OR NOT WE RAISE THE ISSUE OF THE P-3 FLIGHTS, WE SHOULD THANK LEE FOR APPROVING THE STAGING OF SUPPLY FLIGHTS TO DIEGO GARCIA THROUGH SINGAPORE AND FOR LETTING US PROGRESSIVELY INCREASE THEIR FREQUENCY.

8. IN SUM, WHAT PM LEE WILL BE SEEKING FROM HIS VISIT

IS PRIMARILY THE REASSURANCE THAT THE UNITED STATES CAN STILL BE RELIED ON FOR SUPPORT IN THE EVENT OF SERIOUS PROBLEMS WITH COMMUNIST POWERS IN SOUTHEAST ASIA. HE WILL ALSO BE HOPING TO REESTABLISH A DIALOGUE WITH THE SENIOR LEVELS OF THE U.S. ADMINISTRATION. AS THE DEPARTMENT KNOWS, HE IS AN INTELLIGENT, EXPERIENCED AND HIGHLY ARTICULATE POLITICAL ANALYST OF THE FIRST RANK WHO LOOKS AT REGIONAL DEVELOPMENTS FROM A GLOBAL AND REALISTIC, IF SOMEWHAT PESSIMISTIC, POINT OF VIEW. (HE IS OUTSPOKENLY AND DEMONSTRABLY ANTI-COMMUNIST.)

9. AT OUR REQUEST, DAO HAS PREPARED SEVERAL DETAILED PAPERS ON THE I-HAWK, P-3 STAGING, ADDITIONAL C-130S, AND SEVERAL OTHER MILITARY ITEMS THAT COULD COME UP DURING THE LEE VISIT. COPIES OF THESE PAPERS ARE BEING CONFIDENTIAL

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## Message Attributes

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